

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-596-G - ORDER NO. 91-1083 ✓
DECEMBER 4, 1991

IN RE: Annual Hearings for Gas Companies) ORDER GRANTING
 to Review Their Purchased Gas) CLARIFICATION
 Adjustment and Purchasing Policies.) AND MOTION FOR
) IRP DOCKET

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition for Reconsideration and Clarification filed by the Consumer Advocate for the State of South Carolina (the Consumer Advocate) on November 19, 1991. This Petition also contained a Motion asking the Commission to establish a least cost integrated resource planning (IRP) docket for natural gas companies, including pipelines, subject to its jurisdiction.

The Consumer Advocate asks for reconsideration and clarification of Commission Order No. 91-927 in this docket. The Consumer Advocate notes that in Order No. 91-927, the Commission found that Staff should continue to make its annual audits and reviews of gas companies' purchased gas adjustments and purchasing policies, report those results to the Commission, and make the results available to the Company involved, and the Consumer Advocate upon completion. The Consumer Advocate believes that

some formal procedure must be established whereby the Consumer Advocate would have a continuing right to discovery regarding the purchased gas adjustment and purchasing policies of gas companies in South Carolina. The Consumer Advocate suggested that this could be accomplished by instituting a docket each year for each gas company that would not necessarily require a formal hearing.

Also, our Order No. 91-927 held that after the Staff audit, Staff would report the results to the Commission. If Staff took no exception to the Company's purchased gas adjustments and/or purchasing policies, then the Commission would decide if a hearing is necessary. However, if Staff found problems with the Company's purchased gas adjustments and/or purchasing policies, then the Commission would hold a hearing. The Order went on to state that the Staff, the Company, and the Consumer Advocate could make such Motions as they shall deem fit, if appropriate. In its Petition for Reconsideration and/or Clarification, the Consumer Advocate asks for adequate notice of Staff's determination and also, a holding that the Consumer Advocate has a undisputed right to request a hearing for any reason related to the Company purchased gas adjustment and/or purchasing practices, whether or not it is a clear subject of matter in Staff's audit.

After some consideration of the matter, the Commission hereby sets forth the procedure to be followed in future proceedings examining gas companies' purchased gas adjustments and purchasing policies: A docket shall be established each year for each gas company; Staff will conduct its audit of the company in question;

The Consumer Advocate or any other person may intervene and do discovery if desired at any time, however, intervention in a matter will not result in an automatic hearing in the case; and Staff will issue its report and recommendation as to whether or not a hearing should be held.

This report and recommendation will then be issued to all parties, including the Consumer Advocate. With this report will be included a reasonable closing date for motions, if the Staff has found no problems with the audit. The Consumer Advocate will have the right, as will Staff, the Company, or any other party, to make any motions as they shall deem fit, if appropriate, as per the language of Order No. 91-927. After the closing date passes, the Commission will rule on whether or not a hearing should be held. As per the terms of Order No. 91-927, the Commission will hold a hearing in a PGA case if Staff takes exceptions in its audit to any element of the Company's purchased gas adjustments and/or purchasing policies.

The Consumer Advocate will be given adequate notice after a Staff report and recommendation is issued to determine whether or not it wants to make the motion for a hearing or any other motion. As stated above, the Consumer Advocate, the Staff, the Company, or any other party has a right to make any motion that it shall deem fit, if appropriate, although the Commission cannot hold that the Consumer Advocate has an absolute right to make any motion.

We trust that the above-stated procedure will clarify our examination of purchased gas adjustments and purchasing practices

of gas companies and will answer any questions raised by the Consumer Advocate's Petition.

With regard to the Consumer Advocate's Motion for the establishment of a least cost integrated resource planning, IRP docket for natural gas companies, including pipelines, subject to the jurisdiction of the Commission, the Commission has determined that said motion should be granted. There is considerable interest throughout the country in the subject matter of the Consumer Advocate's Motion.

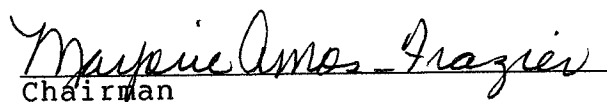
IT IS THEREFORE ORDERED:

1. That the procedure as set out above is hereby established for the Commission's continued consideration of gas companies' purchased gas adjustments and purchasing practices.

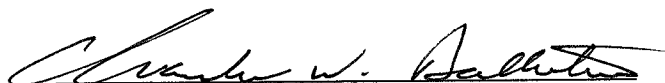
2. That the Consumer Advocate's Motion for the establishment of an IRP docket for natural gas companies, including pipelines, subject to the Commission's jurisdiction is hereby granted.

3. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)